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**THE CITY OF LINCOLN, NEBRASKA**

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**ORDINANCE NO. \_\_\_\_\_**

**(Passed \_\_\_\_\_, 2015,**

**Approved \_\_\_\_\_, 2015)**

**CONSTITUTING THE  
THIRD SERIES ORDINANCE  
ADOPTED UNDER  
ORDINANCE NO. 18774**

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**AUTHORIZING NOT TO EXCEED**

**\$7,060,000**

**SOLID WASTE MANAGEMENT REVENUE BONDS  
SERIES 2015**

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THE CITY OF LINCOLN, NEBRASKA

ORDINANCE NO. \_\_\_\_\_

A SERIES ORDINANCE ADOPTED UNDER AND PURSUANT TO ORDINANCE NO. 18774 AUTHORIZING THE ISSUANCE OF SOLID WASTE MANAGEMENT REVENUE BONDS, SERIES 2015, OF THE CITY OF LINCOLN, NEBRASKA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,060,000 FOR THE PURPOSES OF PROVIDING FOR EXTENSIONS, ENLARGEMENTS AND IMPROVEMENTS TO THE CITY'S SOLID WASTE MANAGEMENT FACILITIES; FIXING IN PART AND PROVIDING FOR THE FIXING IN PART OF THE DETAILS OF THE BONDS; AUTHORIZING FOR THE SALE OF THE BONDS AND THE APPLICATION OF THE PROCEEDS THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS; TAKING OTHER ACTION IN CONNECTION WITH THE FOREGOING; AND RELATED MATTERS

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LINCOLN, NEBRASKA:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

**Section 1.01. Series Ordinance.** This Third Series Ordinance is supplemental to, and is adopted in accordance with **Article II**, **Article III** and **Article VIII** of Ordinance No. 18774 passed by the Council on July 31, 2006 and approved by the Mayor on August 2, 2006 (the "**General Ordinance**").

**Section 1.02. Definitions.** (a) All terms defined in **Section 1.02** of the General Ordinance have the same meanings, respectively, in this Third Series Ordinance as such terms are given in the General Ordinance, except as such terms may be otherwise defined herein.

(b) In this Third Series Ordinance:

**"Continuing Disclosure Undertaking"** means the Omnibus Continuing Disclosure Undertaking executed by the City and dated the date of issuance and delivery of the Series 2015 Bonds, as originally executed and as supplemented and amended from time to time in accordance with its terms.

**"First Series Ordinance"** means Ordinance No. 18775 passed by the Council on July 31, 2006 and approved by the Mayor on August 2, 2006, pursuant to which the City issued the Series 2006 Bonds.

**"General Ordinance"** shall have the meaning ascribed thereto in **Section 1.01** hereof.

**"Interest Payment Date"** means February 1 and August 1 of each year, beginning August 1, 2015, or such other date or dates as determined by the Finance Director pursuant to **Section 4.01** hereof.

**"Participating Underwriter"** has the meaning ascribed thereto in the Continuing Disclosure Undertaking.

**"Paying Agent"** means the person, corporation, partnership or other entity selected and appointed by the Finance Director to act as paying agent for the Series 2015 Bonds pursuant to **Section 4.01** hereof, and any successor thereto appointed in accordance with **Section 3.05**.

**"Record Date"** means the 15th day (whether a business day or not) of the calendar month next preceding an Interest Payment Date, or such other date as determined by the Finance Director pursuant to **Section 4.01** hereof.

**"Registrar"** means the person, corporation, partnership or other entity selected and appointed by the Finance Director to act as registrar for the Series 2015 Bonds pursuant to **Section 4.01** hereof, and any successor thereto.

**"Reserve Requirement"** means, with respect to the Series 2015 Bonds, the amount on the date of original issuance and delivery of the Series 2015 Bonds equal to the least of (a) 10% of the stated principal amount of the Series 2015 Bonds, (b) the maximum Debt Service of the Series 2015 Bonds during any Fiscal Year, or (c) 125% of the average annual Debt Service of the Series 2015 Bonds over the term of the Series 2015 Bonds. If the aggregate initial offering price of the Series 2015 Bonds to the public is less than 98% or more than 102% of par, such offering price shall be used in clause (a) in lieu of the stated principal amount.

**"Second Series Ordinance"** means Ordinance No. 19825 passed by the Council on February 11, 2013 and approved by the Mayor on February 14, 2013, pursuant to which the City issued the Series 2013 Bonds.

**"Series 2006 Bonds"** means the City's \$4,000,000 original principal amount of Solid Waste Management Revenue Bonds, Series 2006, dated August 17, 2006, issued pursuant to the General Ordinance and the First Series Ordinance, which Series 2006 Bonds were refunded by the Series 2013 Bonds.

**"Series 2013 Bonds"** means the City's \$8,340,000 original principal amount of Solid Waste Management Revenue and Refunding Bonds, Series 2013, dated March 14, 2013, issued pursuant to the General Ordinance and the Second Series Ordinance, of which \$7,315,000 are presently outstanding and unpaid.

**"Series 2015 Bonds"** means the City's Solid Waste Management Revenue Bonds authorized by **Article III** hereof, as designated herein or as designated by the Finance Director pursuant to **Section 4.01** hereof.

**"Tax Certificate"** means the Federal Tax Certificate executed by the City, dated the date of issuance and delivery of the Series 2015 Bonds, as amended from time to time in accordance with its terms.

**"Third Series Ordinance"** means this Third Series Ordinance.

**"2015 Project"** means the extensions, enlargements, improvements and betterments to the Enterprise to be paid from the proceeds of the Series 2015 Bonds.

**Section 1.03. Authority for this Third Series Ordinance.** This Third Series Ordinance is adopted pursuant to the provisions of the Act and in accordance with **Article II**, **Article III** and **Article VIII** of the General Ordinance.

## ARTICLE II

### FINDINGS AND DETERMINATIONS

**Section 2.01. Improvements to the Enterprise.** In order to meet the solid waste management needs of the City and its residents, it has been, and is now necessary, desirable, advisable and in the best interests of the City that certain acquisitions, constructions, reconstructions, improvements, extensions, equippings and furnishings be made for, to and of the Enterprise, including, but not limited to, the 2015 Project. In order to provide funds to pay the costs of the Enterprise incident to the 2015 Project and such other acquisition, construction, reconstruction, improvement, extension, equipping and furnishing with respect to the Enterprise as the Council shall determine, it is necessary, desirable and advisable that the solid waste management revenue bonds be issued and sold.

**Section 2.02. [Reserved.]**

**Section 2.03. Adoption of General Ordinance.** The General Ordinance was enacted to serve as the basic bond ordinance for the issuance of revenue bonds and other obligations the proceeds of which are used to finance or refinance improvements to the Enterprise and which are payable solely from the net revenues of the Enterprise. It is necessary, desirable and advisable that the City now issue bonds under and pursuant to the General Ordinance, as supplemented by this Third Series Ordinance, to provide for payment of the Costs of the 2015 Project as set forth herein.

## ARTICLE III

### AUTHORIZATION OF SERIES 2015 BONDS

**Section 3.01. Principal Amount, Designation and Series.** Pursuant to the provisions of the General Ordinance, the Series 2015 Bonds, entitled to the benefit, protection and security of the General Ordinance, are hereby authorized in such aggregate principal amount as shall be determined by the Finance Director pursuant to the provisions of **Section 4.01** hereof, not to exceed \$7,060,000. The Series 2015 Bonds shall be designated as determined by the Finance Director in accordance with the provisions of **Section 4.01** hereof and shall be distinguished from the Bonds of all other Series.

**Section 3.02. Purpose.** The Series 2015 Bonds are issued, subject to **Section 4.01** hereof, for the purposes of (a) paying the Costs of the 2015 Project, (b) funding the 2015 Account in the Reserve Fund, and (c) paying the costs of issuing the Series 2015 Bonds.

**Section 3.03. Maturities and Interest.** The Series 2015 Bonds shall mature on the dates and in the principal amounts, and shall bear interest, payable on each Interest Payment Date to the registered owners of record as of the close of business on the Record Date at such rates per annum as shall be determined by the Finance Director pursuant to the provisions of **Section 4.01** hereof. The Series 2015 Bonds shall bear interest from their dated date (as determined by the Finance Director pursuant to the provisions of **Section 4.01** hereof) or from the most recent Interest Payment Date to which interest has then been paid.

**Section 3.04. Minimum Denomination, Dates, Numbers and Letters.** The Series 2015 Bonds shall be issued as Book-Entry Bonds in such denominations and shall be dated as shall be determined by the Finance Director pursuant to the provisions of **Section 4.01** hereof. Unless the Finance Director shall otherwise direct, the Series 2015 Bonds shall be numbered from R-1 consecutively upward in order of issuance.

**Section 3.05. Place of Payment and Paying Agent.** Except as shall be provided with respect to Book-Entry Bonds, the principal or Redemption Price of the Series 2015 Bonds shall be payable at the corporate trust offices of the Paying Agent. Except as provided with respect to Book-Entry Bonds, the interest on the Series 2015 Bonds shall be payable by check or draft mailed to the Persons entitled thereto at the addresses of such Persons shown on the registration books of the City kept for that purpose at the corporate trust offices of the Registrar. The City may appoint a successor Paying Agent or Registrar in its sole discretion upon 30 days' written notice to the then-acting Paying Agent or Registrar.

**Section 3.06 Securities Depository.** The Finance Director is hereby authorized and directed to select a Securities Depository for the Series 2015 Bonds and to execute and deliver for and on behalf of the City an agreement with the Securities Depository containing such terms and conditions as the Finance Director shall determine to be necessary, desirable or advisable.

**Section 3.07. Redemption Prices and Terms.** The Series 2015 Bonds shall be subject to redemption prior to their respective stated maturities at the option of the City on and after such date or dates as shall be determined by the Finance Director in accordance with the provisions hereof, in whole or in part at any time in such principal amounts and from such maturity or maturities as may be selected by the City in its sole discretion (and in the event that less than all of the Series 2015 Bonds of any maturity thereof are called for redemption, the particular Bonds of such maturity to be redeemed shall be selected by lot) at such redemption prices as shall be determined by the Finance Director in accordance with the provisions hereof together with the interest accrued to the date of redemption.

If the Series 2015 Bonds are issued as term Bonds ("**Term Bonds**"), such Term Bonds are also subject to mandatory redemption by the City, in part, by lot, prior to maturity only on an Interest Payment Date and upon payment of the principal amount thereof from Sinking Fund Installments at 100% of the principal amount thereof, together with accrued interest thereon to the date of redemption, which Sinking Fund Installments shall be sufficient to redeem on each Payment Date in the years and in such principal amounts as shall be determined by the Finance Director in accordance with the provisions hereof.

The Sinking Fund Installments shall be applied in the manner and according to the procedure set forth in **Section 5.05(b)** of the General Ordinance to the redemption and retirement of any Series 2015 Bonds issued as Term Bonds.

**Section 3.08. Application of Proceeds of Series 2015 Bonds.** In accordance with **Article II** and **Article III** of the General Ordinance, the proceeds, including accrued interest, of the Series 2015 Bonds shall be received by the City and applied simultaneously with the delivery of the Series 2015 Bonds as follows:

(a) There shall be deposited in the Bond Fund any amount representing accrued interest on the Series 2015 Bonds, for application toward the payment of interest due on the Series 2015 Bonds on the first Interest Payment Date thereof;

(b) There shall be deposited in the 2015 Account in the Reserve Fund established for the Series 2015 Bonds pursuant to the provisions of **Section 3.11** hereof such amount from the proceeds of the Series 2015 Bonds such that the balance in the 2015 Account in the Reserve Fund shall equal the Reserve Requirement for the Series 2015 Bonds calculated immediately after the authentication and delivery of the Series 2015 Bonds; and

(d) The remaining proceeds of the Series 2015 Bonds shall be deposited in the Construction Fund established by the General Ordinance and disbursed as provided by **Section**

**5.08** of the General Ordinance to pay or reimburse the City for the Costs of the 2015 Project and to pay the costs of issuing the Series 2015 Bonds.

**Section 3.09. Tax Covenants.**

(a) The City covenants and agrees that it (1) will comply with all applicable provisions of the Code, including Sections 103 and 141 through 150, inclusive, necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2015 Bonds and (2) will not use or permit the use of any proceeds of the Series 2015 Bonds or any other funds of the City nor take or permit any other action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 2015 Bonds. The City will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Series 2015 Bonds will remain excluded from federal gross income, to the extent any such actions can be taken by the City.

(b) The City covenants and agrees that it (1) will comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2015 Bonds, (2) will use the proceeds of the Series 2015 Bonds as soon as practicable and with all reasonable dispatch for the purposes for which the Series 2015 Bonds are issued, and (3) will not invest or directly or indirectly use or permit the use of any proceeds of the Series 2015 Bonds or any other funds of the City in any manner, or take or omit to take any action, that would cause the Series 2015 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

(c) The City covenants and agrees that it will pay or provide for the payment from time to time of all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any Treasury Regulations applicable to the Series 2015 Bonds from time to time. This covenant shall survive payment in full or defeasance of the Series 2015 Bonds. The City specifically covenants to pay or cause to be paid to the United States, the required amounts of arbitrage rebate at the times and in the amounts as determined by the Tax Certificate. Notwithstanding anything to the contrary contained herein, the Tax Certificate may be amended or replaced if, in the opinion of counsel nationally recognized on the subject of municipal bonds, such amendment or replacement will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2015 Bonds.

(d) The City covenants and agrees that it will not use any portion of the proceeds of the Series 2015 Bonds, including any investment income earned on such proceeds, directly or indirectly, in a manner that would cause any Series 2015 Bond to be a "private activity bond."

(e) The foregoing covenants shall remain in full force and effect notwithstanding the defeasance of the Series 2015 Bonds pursuant to **Article IX** of the General Ordinance or any other provision of the Ordinance, until the final maturity date of all Series 2015 Bonds Outstanding.

**Section 3.10. Form of Series 2015 Bonds.** The form of the Series 2015 Bonds shall be of substantially the following tenor, with such variations, omissions and insertions as are required or permitted by the General Ordinance:

[FORM OF SERIES 2015 BONDS]

EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE (REFERRED TO HEREIN), THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

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STATE OF NEBRASKA  
COUNTY OF LANCASTER  
THE CITY OF LINCOLN, NEBRASKA  
SOLID WASTE MANAGEMENT REVENUE BOND  
SERIES 2015

<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
_____, 2015	_____, 20__	_____%	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE CITY OF LINCOLN, NEBRASKA (the "City"), a city of the primary class and political subdivision duly organized and validly existing under the laws of the State of Nebraska, hereby acknowledges itself indebted to and, for value received, hereby promises to pay, but solely from the source and in the manner herein specified, to the Registered Owner stated above or its registered assigns, on the Maturity Date stated above, upon presentation and surrender of this bond at the designated corporate trust administration offices of \_\_\_\_\_ (together with any successors, the "Paying Agent"), the Principal Amount stated above and in like manner to pay interest thereon, but solely from the source and in the manner herein specified, at the Interest Rate per annum stated above (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Issue Date stated above or the most recent date to which interest has been paid or duly provided for, payable on February 1 and August 1 of each year commencing August 1, 2015, until payment in full of the Principal Amount. The interest payable hereon on any interest payment date will be paid by check or draft mailed by the Paying Agent to the person in whose name this bond is registered at the close of business on the \_\_\_\_\_ day of the calendar month next preceding such interest payment date (whether or not such day is a business day, the "Record Date") at the address shown on the registration books of the City kept for that purpose by \_\_\_\_\_ (together with any successors, the "Registrar") at its designated corporate trust administration office in Minneapolis, Minnesota. Any interest not punctually paid or duly provided for shall cease to be payable to the person in whose name this bond is registered on the Record Date, and instead shall be paid to the registered owner of this bond at the close of business on a special record date fixed by the Paying Agent for the payment of defaulted interest, notice of which shall be given to such registered owner not less than 10 days prior to such special record date. The principal or

redemption price of and interest on this bond are payable in any coin or currency of the United States of America which on the respective dates of payment is legal tender for the payment of public and private debts.

This bond is one of a duly authorized series of bonds of the City designated as "Solid Waste Management Revenue Bonds, Series 2015" (the "**Series 2015 Bonds**"), in the aggregate principal amount of \$ \_\_\_\_\_ issued under, pursuant to and in full compliance with the Constitution and laws of the State of Nebraska, including the Charter of the City (collectively, the "**Applicable Law**"), and Ordinance No. 18774 and all other ordinances amendatory of or supplemental thereto, including particularly Ordinance No. \_\_\_\_\_ (Ordinance No. 18774 and all other ordinances amendatory of and supplemental to Ordinance No. 18774, including Ordinance No. \_\_\_\_\_, are referred to collectively as the "**Bond Ordinance**"), duly adopted under the Applicable Law by the Council. Copies of the Bond Ordinance are on file in the offices of the Clerk. As provided in the Bond Ordinance, bonds, notes or other evidences of indebtedness of the City may be issued from time to time pursuant to supplemental ordinances in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Bond Ordinance. The aggregate principal amount of bonds, notes or other evidences of indebtedness which may be issued under the Bond Ordinance is not limited except as provided in the Bond Ordinance, and all bonds, notes or other evidences of indebtedness issued and to be issued under the Bond Ordinance are and will be equally secured by as hereinafter described and covenants made in the Bond Ordinance, except as otherwise expressly provided or permitted in the Bond Ordinance. All bonds, notes or other evidences of indebtedness issued under and pursuant to the Bond Ordinance, as the same may be amended and supplemented from time to time, and equally secured thereby are hereinafter called the "**Bonds**."

As provided in the Bond Ordinance, the Bonds are special obligations of the City payable solely from and secured as to payment of the principal or redemption price and interest in accordance with their terms and the provisions of the Bond Ordinance solely by (a) the proceeds from the sale of the Bonds, (b) the Revenues (as defined in the Bond Ordinance), and (c) all funds established by the Bond Ordinance, including the investments and income, if any, thereof, subject to the provisions of the Bond Ordinance permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Ordinance. Reference to the Bond Ordinance and any and all supplements thereto and modifications and amendments thereof and to the Applicable Law is made for a description of the security, pledge, assignment, and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect thereto, with respect to giving any approvals or consents, exercising any remedies or taking certain actions pursuant to the Bond Ordinance, the terms and conditions upon which the Bonds are issued and may be issued thereunder, and for the other terms and provisions thereof.

To the extent and in the manner permitted by the terms of the Bond Ordinance, any provision of the Bond Ordinance, or any ordinance amendatory thereof or supplemental thereto, may be modified or amended by the City, with the written consent of the registered owners of not less than a majority in aggregate principal amount of the Bonds affected by such modification or amendment then outstanding under the Bond Ordinance, and, in case such modification or amendment would change the terms of any sinking fund installment, with such consent of not less than a majority in aggregate principal amount of the Bonds of the particular series and maturity entitled to such sinking fund installment then outstanding; provided, however, if such modification or amendment will by its terms not take effect so long as any Bonds of any specified like series and maturity remain outstanding under the Bond Ordinance, the consent of the registered owners of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the registered owner of



such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary (as defined in the Bond Ordinance) without its written assent thereto.

The Bond Ordinance also contains provisions permitting the City, without the necessity for the consent of the registered owner of any Bond, to modify or amend the Bond Ordinance to cure ambiguities or defects in the Bond Ordinance, to clarify the provisions of the Bond Ordinance or to make any other modification or amendment that the City determines will not have a materially adverse effect on the interests of the registered owners of the Bonds.

This bond is transferable as provided in the Bond Ordinance only upon the books of the City kept for that purpose at the designated corporate trust administration office of the Registrar by the Registered Owner in person, or by its duly authorized attorney, upon surrender of this bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its duly authorized attorney, and thereupon a new fully registered bond or bonds, without coupons, and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Bond Ordinance and upon payment of the charges therein prescribed. The City, the Registrar and any Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Series 2015 Bonds are issuable in the form of fully registered Bonds, without coupons, in the denomination of \$5,000 or any integral multiple of \$5,000.

The Series 2015 Bonds are subject to redemption prior to maturity, upon notice as hereinafter provided, (a) by operation of the Bond Fund established under the Bond Ordinance to satisfy the sinking fund installments (1) with respect to the Series 2015 Bonds, maturing on \_\_\_\_\_, \_\_\_\_\_, commencing on \_\_\_\_\_ and on each \_\_\_\_\_, thereafter, (2) with respect to the Series 2015 Bonds maturing on \_\_\_\_\_, \_\_\_\_\_, commencing on \_\_\_\_\_ and on each \_\_\_\_\_, thereafter and (3) with respect to the Series 2015 Bonds maturing on \_\_\_\_\_, \_\_\_\_\_, commencing on \_\_\_\_\_, and on each \_\_\_\_\_, thereafter, in each case at 100% of the principal amount thereof together with accrued interest, if any, to the redemption date and (b) otherwise, in the case of the Series 2015 Bonds maturing on and after \_\_\_\_\_, at the election of the City on or after \_\_\_\_\_, at any time, as a whole or in part (if in part, the maturity or maturities to be redeemed to be selected by the City in its sole discretion), at the respective redemption prices (expressed as percentages of the principal amount of the Bonds or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

Period During Which Redeemed  
(Both Dates Inclusive)

Redemption  
Prices

If less than all of the Series 2015 Bonds of like maturity are to be redeemed, the particular Series 2015 Bonds to be redeemed shall be selected by the Registrar.

The Series 2015 Bonds are payable upon redemption at the designated corporate trust administration office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be given by first-class mail, postage prepaid, to the registered owners of the Series 2015 Bonds to be redeemed sent not less than 30 days nor more than 60 days prior to the redemption date, but the failure to give notice by mail, or any defect in such notice, to the registered owner of any Series 2015 Bond will not affect the validity of the proceedings for the redemption of any other Series 2015 Bonds. If notice of redemption shall have been given as provided, the Series 2015 Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, money for the redemption of all of the Series 2015 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2015 Bonds or portions thereof so called for redemption shall cease to accrue and be payable.

The principal or redemption price hereof and interest hereon are payable solely from the Revenues and other funds of the City as provided in the Bond Ordinance and neither the State of Nebraska nor any political subdivision (other than the City) shall be obligated to pay the principal or redemption price hereof or interest hereon. Neither the faith and credit nor the taxing power of the State of Nebraska or any political subdivision thereof is pledged to the payment of the principal or redemption price hereof or interest hereon, except the occupation tax imposed by the City pursuant Section 8.32.150 of the Lincoln Municipal Code (the "**Occupation Tax**"). No registered owner of a Bond or receiver or trustee in connection with the payment of the Bonds shall have any right to compel the State of Nebraska or any political subdivision thereof to exercise its appropriation or taxing powers, except to compel the City to levy the Occupation Tax. No director, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal or redemption price hereof or interest hereon.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Ordinance. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The City and the Paying Agent will recognize the Securities Depository nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (a) payments of principal or redemption price of and interest on this Bond, (b) notices and (c) voting. Transfer of principal or redemption price and interest payments to participants of the Securities Depository, and transfer of principal or redemption price and interest payments to beneficial owners of the Bonds by participants of the Securities Depository will be the responsibility of such participants and other nominees of such beneficial owners. The City and the Paying Agent will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its participants or persons acting through such participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal or redemption price of and interest on this Bond shall be made in accordance with existing arrangements among the City, the Paying Agent and the Securities Depository.

**EXCEPT AS OTHERWISE PROVIDED IN THE ORDINANCE, THIS GLOBAL BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.**

**IT IS HEREBY CERTIFIED AND RECITED** that all conditions, acts and things required by law and the Bond Ordinance to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the Series 2015 Bonds, together with all other indebtedness of the City, complies in all respects with the applicable laws of the State of Nebraska.

This bond shall not be entitled to any benefit under the Bond Ordinance or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Registrar of the Certificate of Authentication hereon.

**IN WITNESS WHEREOF, THE CITY OF LINCOLN, NEBRASKA** has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal (or a facsimile thereon) to be hereunto affixed, imprinted, engraved or otherwise reproduced and countersigned by the manual or facsimile signature of its Finance Director.

**THE CITY OF LINCOLN, NEBRASKA**

By: \_\_\_\_\_  
Mayor

**COUNTERSIGNED:** Registered in the Finance  
Department of the City of  
Lincoln, Nebraska

By: \_\_\_\_\_  
Finance Director

#### **CERTIFICATE OF AUTHENTICATION**

This bond is one of the Bonds described in the within-mentioned Bond Ordinance.

\_\_\_\_\_, as Registrar

By: \_\_\_\_\_  
Authorized Signature

*[The remainder of this page intentionally left blank.]*

## ASSIGNMENT

**FOR VALUE RECEIVED**, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
Print or Type Name, Address and Social Security Number  
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ agent to transfer the within Bond on the Bond Register kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Signature Guaranteed By:

\_\_\_\_\_  
Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Section 3.11. Debt Service Reserve Fund.** The City shall establish within the Debt Service Reserve Fund an account for the Series 2015 Bonds issued pursuant to this Third Series Ordinance to be held by the City into which the amount specified in **Section 3.08(b)** hereof shall be deposited. All amounts deposited into each account in the Debt Service Reserve Fund shall be held and administered in accordance with the provisions of **Section 5.06** of the General Ordinance.

## ARTICLE IV

### ADDITIONAL PROVISIONS RELATED TO THE SERIES 2015 BONDS

**Section 4.01. Sale, Principal Amount, Interest Rates, Redemption Provisions and Other Terms of Series 2015 Bonds.** (a) The Series 2015 Bonds or any portion thereof are hereby authorized to be sold pursuant to a public sale. In connection with such sale, the Finance Director is hereby authorized to specify, determine, designate, establish and appoint, as the case may be (i) the price at which the Series 2015 Bonds may be sold to the underwriter, provided that the price at which the Series 2015 Bonds will be sold shall not be less than 97.0% of the principal amount thereof, and the underwriting discount shall not exceed 1.0% of the aggregate principal amount thereof, (ii) the form and contents of any notice of sale to be prepared in connection with such sale, (iii) the title (including series designation), dated date,

aggregate principal amount (including the aggregate principal amounts of Serial Bonds and Term Bonds, if any), which aggregate stated principal amount shall not exceed \$7,060,000, and the final maturity date, which shall not be later than December 31, 2036, (iv) the principal amounts maturing in each year (v) the rate or rates of interest to be borne by each principal maturity, provided that the true interest cost shall not exceed 4.0%, (vi) the principal payment dates and interest payment dates, (vii) whether the Series 2015 Bonds will be subject to redemption prior to their stated maturity, and if subject to such optional redemption, the provisions governing such redemption, including a redemption price not to exceed 104% of the principal amount then being redeemed plus accrued interest to the date of redemption, (viii) the amount and due date of each Sinking Fund Installment for any of the Series 2015 Bonds issued as Term Bonds, (ix) the form and content of any agreement between the City and the Paying Agent and Registrar and (x) all other terms and provisions of the Series 2015 Bonds not otherwise specified or fixed by this Third Series Ordinance or the General Ordinance.

(b) The Finance Director shall report from time to time to the Council the purchase price of the Series 2015 Bonds sold and the principal amount, maturities and other terms thereof established in accordance with the terms of this Third Series Ordinance.

**Section 4.02. Official Statement.** The City hereby ratifies and approves the publication, distribution and use of a preliminary Official Statement in connection with the offering of the Series 2015 Bonds, with such changes, additions and modifications, as may be approved by the Finance Director. The Finance Director is hereby authorized to deem the information contained in the Preliminary Official Statement to be "final" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, as amended. The City further authorizes and directs the preparation of, and authorizes and directs the execution and delivery by the Finance Director of a final Official Statement for use in connection with the sale of the Series 2015 Bonds.

**Section 4.03. Ratification of Prior Actions; General and Specific Authorizations.** (a) All actions heretofore taken by the City, by the Finance Director and by all other officers, officials, employees and agents of the City, including, without limitation, the expenditure of funds, and the selection, appointment and employment of consulting engineers, accountants, financial advisors, underwriters and bond counsel, in connection with the issuance and sale of the Series 2015 Bonds, together with all other actions taken in connection with any of the matters which are the subject hereof, be and the same is hereby in all respects authorized, adopted, specified, accepted, ratified, approved and confirmed.

(b) Without in any way limiting the power, authority or discretion elsewhere in this Third Series Ordinance granted or delegated, the Council hereby (a) authorizes and directs the Mayor, Finance Director, Treasurer, Clerk, City Attorney, and all other officers, officials, employees and agents of the City to carry out or cause to be carried out, and to perform such obligations of the City and such other actions as they, or any of them, in consultation with bond counsel, the underwriter(s) of the Series 2015 Bonds and their respective counsel, shall consider necessary, advisable, desirable or appropriate in connection with this Third Series Ordinance and the General Ordinance, any notice of sale, or preliminary or final official statement, including without limitation and whenever appropriate, the execution and delivery thereof and of all other related agreements, documents, instruments, certifications and opinions, and (b) delegates, authorizes and directs the Finance Director the right, power and authority to exercise his independent judgment and absolute discretion in (1) fixing the terms, provisions, form and contents of the Series 2015 Bonds and all related documents, subject to the limitations set forth herein, (2) making the determinations required by **Section 4.01** hereof, and (3) taking all actions and making all arrangements necessary, proper, appropriate, advisable or desirable in order to effectuate the issuance, sale and delivery of the Series 2015 Bonds. The execution and delivery by the Finance Director or by any such other officer, official, employee or agent of any such agreements, documents, instruments, certifications and

opinions, or the performance by them of any act in connection with any of the matters which are the subject of this Third Series Ordinance, of the General Ordinance, and of each of the other documents referred to herein, shall constitute conclusive evidence of both the City's and their approval of the terms, provisions and contents thereof and all changes, modifications, amendments, revisions and alterations made therein and shall conclusively establish their absolute, unconditional and irrevocable authority with respect thereto from the City and the authorization, approval and ratification by the City of the documents, instruments, certifications and opinions so executed and the actions so taken.

**Section 4.04. Insertion in Copies Hereof of Terms and Identification Information.** For the convenience of the City, the Registrar, the Paying Agent, and the Owners from time to time of the Series 2015 Bonds, there may be inserted, marked, or noted in the body hereof, in copies of this Third Series Ordinance or in attachments or appendices to such copies (which attachments or appendices may or may not be referred to in the body of such copies) any of the terms of the Series 2015 Bonds fixed in accordance herewith and the other provisions hereof to be borne by the Series 2015 Bonds.

**Section 4.04. Continuing Disclosure.** Pursuant to Section 6(a) of the Continuing Disclosure Undertaking, the City hereby makes the Series 2015 Bonds, if, and when issued, subject to the Continuing Disclosure Undertaking, and Schedule I thereto shall be updated to such effect. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of the Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered an Event of Default; however, any Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this **Section 4.04**. For purposes of this **Section 4.04**, "**Beneficial Owner**" means any Person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, the Series 2015 Bonds (including persons holding such Series 2015 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of a Series 2015 Bond for federal income tax purposes.

## **ARTICLE V MISCELLANEOUS**

**Section 5.01. Headings, Table of Contents.** The headings of sections of this Third Series Ordinance, and any table of contents attached to copies hereof, are set forth therein or are attached to such copies solely for convenience of reference only and shall not affect the construction or interpretation of this Third Series Ordinance or of any section hereof.

**Section 5.02. Publication and Effectiveness of Third Series Ordinance.** Pursuant to Article VII, Section 7, of the City Charter, this Ordinance shall be posted on the official bulletin board of the City in lieu of and in place of newspaper publication with notice of passage and such posting to be given by publication one time in the official newspaper by the City Clerk.

*[The remainder of this page intentionally left blank.]*

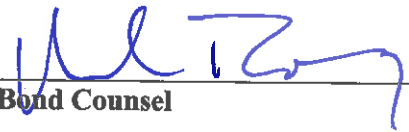
**INTRODUCED BY:**

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**PASSED** \_\_\_\_\_, 2015.

**Approved as to Form:**

\_\_\_\_\_  
**City Attorney**

  
\_\_\_\_\_  
**Bond Counsel**

**APPROVED:** \_\_\_\_\_, 2015.

\_\_\_\_\_  
**Mayor**